

Old Age, Disability, Death

First law: 1919.

Current laws: 1962, 1965, 1968, 1969, 1974, 1975, 1978, 1980, 1981, 1984, and 1992.

Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 1,610 lire.

Coverage

Employed persons (including domestic employees).

Special systems for industrial managers, liberal professions, railway employees, public utilities, air transport workers, journalists, civil servants, self-employed artisans, merchants, and self-employed farmers.

Source of Funds

Insured person: 8.34% of earnings.

Employer: 21.3% of payroll.

In addition, employers in certain industries pay a special contribution.

Employers in certain economically distressed areas relieved of part of contribution.

Government: Full cost of means-tested allowance and any overall deficit.

Minimum earnings for contribution purposes: 54,886 lire a day for workers in industry, or, if higher, minimum wage. Minimum wage is established by sector and by category through collective bargaining.

No maximum earnings for contribution or benefit purposes.

Qualifying Conditions

Old-age pension: Up to June 1995, age 61 (men) or 56 (women), thereafter ages 62 and 57 respectively, and 15 years of coverage.

May work until age 65 if less than 40 years of contributions.

Preretirement pension at 55 (50 in iron and steel industry) and 50, respectively, if unemployed due to severe economic conditions or industrial reorganization. Pension also payable at any age after 35 years of contribution. Earnings reduce benefits that are above the minimum pension level. Retirement necessary for length of service pension.

The normal retirement age will rise by 1 year every 18 months to age 65 for men and age 60 for women. The minimum length of coverage required will also rise by 1 year every 2 years, reaching total implementation by the year 2001. Persons who on December 31, 1992, already met the qualifying conditions then in force are exempted from the new rules.

Disability pension: Total (two-thirds) and permanent inability to perform any work. 5 years of insurance, including at least 3 years in 5 years preceding application.

Disability pensions are subject to an income test (3 times minimum pension).

Disability allowance: Loss of 2/3 working capacity. Coverage requirements same as for disability pension. Also see disability allowance.

Survivor pension: Deceased was pensioner at death, or met disability pension requirements at death.

Old-Age Benefits

Old-age pension: Based on average annual earnings in last 5 years (with earnings in first 3 years revalued for changes in the cost of living). Pension equals number of years of contributions multiplied by: 2% up to 57,578,000 lire a year, plus 1.6% of any earnings over that up to 76,578,740; 1.35% of any additional amount up to 95,579,480 lire; 1.1% of any additional amount up to 109,298,200 and 0.9% of any additional amount, up to 80% of earnings with 40 years of coverage.

(Different formula for preretirement benefit.)

Minimum pension: 626,450 lire a month (626,000 lire a month with 15 or more years of contribution).

Schedule of payments: Monthly with a 13th payment each December.

Means-tested old-age benefit (*social pension*): Up to 335,150 lire a month (June 1993 rate) payable at age 65, if resident citizen (13 payments a year).

Adjustment: Automatic adjustment of pensions each year for changes in the cost of living index.

Permanent Disability Benefits

Disability pension: Same as old-age pension plus increment based on number of years until normal pension age.

Minimum pension: 626,450 lire a month.

Constant-attendance supplement: Up to 496,000 lire a month (adjusted biennially).

Disability allowance: Same as old-age pension. Payable for 3-year period. After 2 redeterminations of disability, the benefit becomes permanent.

Schedule of payments: Monthly, with a 13th payment each December.

Adjustment: Automatic adjustment of pensions yearly for changes in the cost of living.

Survivor Benefits

Survivor pension: 60% of pension paid or accrued to insured.

Minimum pension: 626,450 lire a month (626,000 lire a month with 15 or more years of contribution).

Orphans: 20% of pension of insured for each orphan under age 18 (21 if student at vocational school, 26 if university student, no limit if disabled), 40% if full orphan, or 60% if sole beneficiary.

Other dependent relatives (in absence of above): 15% of pension of insured for each aged parent, or unmarried sister or brother, if disabled not receiving pension, and was dependent on deceased.

Maximum survivor pensions: 100% of pension of insured.

Lump sum death benefit: 43,200 lire to 129,600 lire if survivor ineligible for pension.

Administrative Organization

Ministry of Labor and Social Welfare, and Treasury, general supervision.

National Social Insurance Institute, administration of program through its branch offices; managed by tripartite governing body. Separate institutes or funds administer special systems.

Sickness and Maternity

First laws: 1912 (maternity), 1927 (tuberculosis), and 1943 (sickness).
Current laws: 1950 and 1971 (maternity), 1962 (sickness), 1970 (tuberculosis), 1974, 1978 (National Health Service), 1980 and 1987 (maternity for self-employed women).
Type of program: Dual social insurance (cash benefits) and universal (medical care) systems.

Coverage

Cash sickness and maternity benefits: Employed persons in commerce (except managers), and wage earners in industry and agriculture. Maternity benefits payable to all private sector employees.

Medical benefits: All residents.

Source of Funds

Insured person: 1% of earnings up to 40 million lire annually, plus *solidarity* contribution of 0.8% of earnings between 40 million and 100 million lire.

Self-employed pay 5% of earnings with an annual minimum. (Self-employed pay 4% *solidarity* contribution for earnings between 40 million and 150 million lire). Self-employed women pay 18,000 lire a year for maternity coverage.

Employer: Sickness—10.6% of payroll plus *solidarity* contribution of 2% on salary between 40 and 150 million lire. Tuberculosis—2.01% of payroll.

Government: Various subsidies, plus portion of contributions due from employers.

Minimum earnings for contribution purposes: 54,886 lire a day or minimum wage, if higher, for workers in industry. No maximum.

Qualifying Conditions

Cash sickness and maternity benefits: Currently covered.

Tuberculosis benefits: 1 year of contributions.

Medical benefits: No minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit: 50% of earnings for 1st 20 days; 66-2/3% thereafter.

Payable after 3-day waiting period for up to 180 days.

Tuberculosis benefit: Payable while receiving institutional care, if treated for 60 days or more, and up to 2 years after treatment at the rate of 50% of earnings beginning with the 21st day to the 180th day and at the rate 66.66 thereafter. (Family allowances also paid.)

Maternity benefit: 80% of earnings, payable for up to 2 months before and 3 months after confinement. Additional 6 months' leave for either parent at 30% of earnings.

Workers' Medical Benefits

Medical benefits: Services provided by doctors and druggists under contract with and paid directly by National Health Service, and by hospitals, which are mostly public.

Includes general and specialist care, hospitalization, prescribed medicines, dental care, attendance of midwife or doctor at confinement, specified appliances, and spa treatment. Tuberculosis care includes curative and convalescent care in sanatorium, post-sanatorium care, and rehabilitation. Patient's copayment for certain prescribed medicines and hospital tests, waived for low income and the disabled. Duration: No limit.

Dependents' Medical Benefits

Medical benefits for dependents: Same as for insured.

Tuberculosis benefit for dependents: Reduced benefit, but payable under same terms as for insured.

Administrative Organization

Ministry of Labor and Social Welfare and Ministry of Health, general supervision.

National Social Insurance Institute, administration of cash sickness and maternity benefits.

National Health Service administered by 20 regional health authorities and locally by area health authorities.

Work Injury

First law: 1898.

Current law: 1965.

Type of program: Social insurance system.

Coverage

Manual workers, nonmanual employees in dangerous work, and self-employed in agriculture. Special system for seamen.

Source of Funds

Insured person: 12,250,000 in industry; 1,750,000 in agriculture.

Employer: 0.5% to 16% of payroll, according to risk.

Average basic rate for industrial workers: 3.10%.

Government: None.

Minimum earnings for benefit purposes: 17,597,000 lire; maximum, 32,680,000 lire per annum.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: 60% of earnings for first 90 days of disability; 75% thereafter. Payable after 3-day waiting period (during which employer must pay benefit).

Permanent Disability Benefits

Permanent disability pension: 100% of earnings (between the minimum and maximum covered earnings) in the prior year, if totally disabled.

Constant-attendance supplement: 580,000 lire a month (adjusted every year).

Dependents' supplements: 5% of pension for wife and each child under age 18 (26 if student, no limit if disabled).

Partial disability: If 11%-79% disabled, pension proportionate to degree of incapacity. If 80%-100% disabled, full pension.
Adjustment: Automatic adjustment of pensions annually if at least 10% change in average daily wage in industry.

Workers' Medical Benefits

Medical benefits: Medical, surgical, and hospital care, appliances, and rehabilitation.

Survivor Benefits

Survivor pension: 50% of earnings of insured, payable to surviving spouse. Orphans: 20% of earnings for each orphan under age 18 or disabled, or 40% if full orphan. Parent (in absence of above): 20% of earnings for each parent.

Maximum survivor pensions: 100% of earnings of insured.
Survivor grant: Lump sum up to 2,322,000 lire, to survivors who paid the funeral expenses (adjusted annually).

Administrative Organization

Ministry of Labor and Social Welfare, general supervision.
National Accident Insurance Institute, administration of program through provincial offices; managed by tripartite governing body.
National Health Service, general administration of medical benefits.
Separate funds administer special systems.

Unemployment

First law: 1919.
Current laws: 1939, 1968, 1970, 1975, and 1988.
Type of program: Compulsory insurance system.

Coverage

Employees in private employment. Exclusions: Occasional and seasonal workers, and certain special categories. Workers in construction also covered for special supplementary benefit.

Source of Funds

Insured person: None.
Employer: 1.61% (industrial managers) or 1.91% (industry and commerce) of payroll. Industrial employers also pay 0.3% (0.8% in construction) of payroll for special unemployment and 2.2% of payroll (1.9% for firms with less than 50 workers) for wage supplement fund.
Government: Administrative costs plus subsidies for agricultural workers, youth employment, and wage supplement fund.
Minimum earnings for contribution purposes: 54,886 lire a day for workers in industry. No maximum.

Qualifying Conditions

Unemployment benefit: 2 years of coverage with 52 weeks of contribution in last 2 years. Construction workers: 43 weeks of contributions during 2 years of employment in sector.
Special benefit: 13 weeks' prior continuous service.
Registered at employment office, capable of work and available for work. Unemployment not due to voluntary leaving, dismissal for misconduct, or refusal of suitable offer or prescribed training

(disqualification for 30 days). Wage supplement: Partially unemployed under circumstances specified by law.

Unemployment Benefits

Unemployment benefit: 20% of wage, payable after 7-day waiting period. Maximum duration: 180 days.
Dependents' supplements: See family allowances.
Special benefit in construction: 80% of earnings (up to maximum covered earnings) for up to 90 days (may be extended).
Industrial, commercial workers and artisans receive benefits for varying periods according to their ages, providing they have 1 year of employment and 6 months of actual contributions: Under age 40 (12 months); up to age 50 (24 months); over age 50 (36 months).
Benefit is 100% of earnings in the 1st year and 80% thereafter.

Administrative Organization

Ministry of Labor and Social Welfare, and Treasury, general supervision.
National Social Insurance Institute, administration of program through its branch offices. Also administers wage supplement fund.
Placement offices receive, investigate, and pay claims.

Family Allowances

First law: 1937.
Current laws: 1961, 1965, 1970, 1974, 1975, 1980, 1983 and 1988 (Reform of Family Benefits Scheme).
Type of program: Employment-related system.

Coverage

Employees, some self-employed persons, and social insurance and certain unemployment beneficiaries with 1 or more children or other dependents.
Special systems for employees in agriculture.

Source of Funds

Insured person: None.
Employer: 6.2% (4.15% for artisans) of payroll.
Government: Various subsidies.
Minimum earnings for contribution purposes: 54,886 lire a day or, if higher, minimum wage.

Qualifying Conditions

Family allowances: Spouse dependent on insured; children must be under age 18 (no limit if disabled); brothers and sisters, nieces and nephews must be orphans or dependents under age 18, (no limit if disabled)—up to a maximum of 7 family members.
Separate provisions for self-employed agricultural workers, pensioners, and former self-employed workers.

Family Allowance Benefits

Family allowances: The amount varies in relation to the size and income of the family from 60,000 to 440,000 lire for families with 7 or more children.

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Income ceilings increased for single-parent families and for families with at least one totally disabled member.

Separate provisions for self-employed agricultural workers and pensioners and former self-employed.

Adjustment: Annually to variation in reference wage.

Administrative Organization

Ministry of Labor and Social Welfare, and Treasury, general supervision.

National Social Insurance Institute, administration of program through Central Family Allowances Fund.

Individual employers pay allowances directly to own employees (except in agriculture) and settle surplus or deficit of contributions due with local branch of Institute.

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